

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7328

BILL NUMBER: HB 1557

NOTE PREPARED: Jan 14, 2015

BILL AMENDED:

SUBJECT: Department of Veterans Affairs.

FIRST AUTHOR: Rep. Judy

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the Indiana Department of Veterans' Affairs (IDVA) to employ staff for purposes of: (1) assisting veterans who are incarcerated; (2) seeking endowment benefits and grants; and (3) coordinating with other agencies and universities on behalf of veterans. The bill requires all counties to designate and employ a county veteran service officer (CVSO). The bill also requires the IDVA to establish six regional offices, provides funding for CVSOs, and makes an annual appropriation.

Effective Date: July 1, 2015.

Explanation of State Expenditures: Summary: The following table illustrates the bill's estimated annual impact on state General Fund expenditures beginning in FY 2016.

Requirement	Estimated Annual Cost
IDVA Regional Offices	\$382,000
County CVSO Reimbursement (Maximum Cost)	\$2,900,000
CVSO Accreditation	\$46,000 to \$90,000
Total	\$3,328,000 to \$3,372,000

The bill could also result in additional state costs to designate IDVA service officers specified in the bill. Any additional state costs would depend on administrative and legislative decisions.

Additional Information:

IDVA Regional Offices: The IDVA reports annual costs of \$63,700 per regional office required under the bill. For six regional offices, the total state cost is expected to be \$382,200 per year. Each regional office would use office space provided at no cost by utilizing Indiana National Guard Armories. The estimated cost per regional office is for staff salary, benefits, and office supplies.

County Veteran Services Officer (CVSO) Funding: The bill provides a state grant to defray local expenses of employing a CVSO. Currently, only one county does not employ a CVSO, and the average salary of Indiana CVSOs is unknown.

The state of Tennessee also has a CVSO in each county. The reported average annual salary for full-time CVSOs in Tennessee was approximately \$31,000. Indiana and Tennessee have similar cost-of-living indexes. It is assumed that Indiana CVSOs could receive a similar salary as that of the average full-time CVSO salary in Tennessee.

The bill allows the IDVA to determine the grant amount for each county CVSO based on the veteran population in each county. It is not known exactly how the IDVA will apportion county grants, but it is expected the annual state cost will be less than the maximum cost to fund 92 CVSOs at an average annual salary of \$31,000 (\$2.9 M annually).

CVSO Accreditation: The IDVA currently certifies CVSOs with a certification test as required under 915 IAC 1-1-2. This certification test is annually administered as a condition of employment. If the current certification process offered by the IDVA counts towards meeting the requirements of the bill, providing a certification and recertification for CVSOs is expected to have no new impact.

Under current law, CVSOs are also required to become accredited by a national organization and annually renew accreditation. The IDVA can currently provide grants to CVSOs for training, computers, and software to meet these requirements. The maximum grant amount for CVSOs under current law is \$500 per CVSO.

The current costs for accreditation are paid from a one-time appropriation of \$180,000 from the Military Family Relief Fund (by way of a transfer from the Veterans Affairs Trust Fund). This appropriation was made during FY 2014 and also covered accreditation grants in FY 2015. Under the bill, the necessary amounts to provide these services to CVSOs would come from the General Fund. It is assumed that the costs of funding CVSO annual training could be \$46,000 per year.

IDVA Service Officers: The bill also requires the Director of the IDVA to employ (1) a service officer to assist with incarcerated veterans and (2) a specialist in grants and endowments. The service officers necessary to assist with incarcerated veterans, grants, and endowments could require additional staff to fulfill these requirements.

The bill's requirements could represent an additional workload and/or expenditure on the agency. Existing staffing and resource levels, if currently being used to capacity, may be insufficient for full implementation.

The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

Explanation of State Revenues: This bill could increase the state revenue counties receive for CVSO salary and accreditation costs. Increases in county revenue will depend on decisions made by the IDVA with regard to how state funds should be apportioned.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IDVA.

Local Agencies Affected: All.

Information Sources: Federal Department of Veterans' Affairs; Report on funding for Tennessee County Veteran Service Officers; Russ Eaglin, IDVA; *Consumer Price Index*.

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